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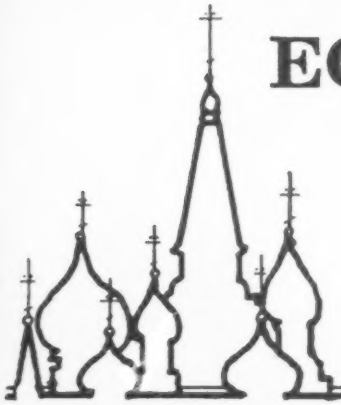

ECONOMIC NEWSLETTER

Russian Research Center
Harvard University

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Soviet Balance of Trade with Eastern Europe for the First Half of 1989

Soviet economic relations with Eastern Europe have become very complicated. Largely because of the drop in the price of oil, the value of exports from the Soviet Union to Eastern Europe has fallen sharply since 1986. They are down by almost 2 billion rubles. At the same time, however, importsto the USSR from Eastern Europe have risen by 1.6 million rubles. As a result, the Soviet Union now has a very large trade deficit with Eastern Europe. That is not something East European countries want. Consequently, countries like Hungary have imposed a ban on the export of certain goods to the Soviet Union until the balance can be restored. The Soviet Union, in fact, has a trade deficit with all the countries in Eastern Europe except Romania. Its trade deficit with Poland is particularly striking, amounting to over a half billion rubles. The Soviet trade deficit with Bulgaria is almost as large.

This clearly has implications for the East European economies. It will be difficult for them to revitalize their own economies when they are in effect supporting Soviet economic growth this way. In addition, this means that in these societies where balance between imports and exports is very important, the East Europeans are exporting goods and paying their workers money but then having fewer goods available for those workers to purchase. This helps to generate additional inflation.

ARDEN HOUSE 1990

The theme for the 1990 Arden House Conference on American-Soviet Relations will be "Gorbachev: The First Five Years." The conference is scheduled for April 6-8, 1990 and will be held at Arden House, the former country estate of Ambassador Averell Harriman.

Sponsored jointly by Harvard's Russian Research Center and the Harriman Institute of Columbia University, the Arden House conference is one of the premier conferences examining American-Soviet relations. Now in its fourteenth year, the conference attracts participants in the fields of business, govenment, education and research from throughout the world.

This year's conference panels are quite diverse and include: democratization, foreign policy, economic performance, joint ventures, ruble convertibility, congressional views, the waiver of Jackson-Vanik, and Eastern Europe. Confirmed panelists include Adam Ulam, Director of the Russian Research Center; Robert Legvold, Director of the Harriman Institute; Timothy J. Colton, Professor of Government, Harvard; Alexander Vershbow, Director, Office of Soviet Union Affairs, U.S. Department of State; Marshall Goldman, Associate Director of the Russian Research Center; Rick Ericson, Professor of Economics, Columbia; Jeffrey Sachs, Professor of Economics, Harvard Univ.; Congressman Les AuCoin; Dennis Kloske,

U.S. Under Secretary of Commerce for Export Administration; Ambassador Warren Zimmermann, U.S. Ambassador to Yugoslavia; Ambassador Mark Palmer, U.S. Ambassador to Hungary; and Ambassador John R. Davis Jr., U.S. Ambassador to Poland.

The final conference program will not be available until January, but we have enclosed an application form for those who might want to register now in order to assure themselves a place at the conference.

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FOREIGN EXCHANGE RATES
as of December 6, 1989
Quoted in rubles

	Official Rate	Special Rate
£100 Sterling	97.19	971.90
100 Aust. Sch.	4.97	49.70
100 D. Marks	34.99	349.90
100 D. Guilders	31.03	310.30
100 U.S. Dollars	62.05	620.50
100 Fr. Francs	10.22	102.20
1,000 Jap. ¥	4.32	43.20
10,000 It. Lire	4.75	47.50
100 Swiss Frs.	39.00	390.00
100 Nor. Kroner	9.14	91.40
1,000 Bel. Frs.	16.67	166.70
100 Sw. Kronor	9.77	97.70

SOVIET BALANCE OF TRADE WITH EASTERN EUROPE FOR THE FIRST HALF OF 1982-1989

(in million rubles)

Exports from the USSR

	1982	1983	1984	1985	1986	1987	1988	1989
Bulgaria	2372	2880	3174	3156	3225	3050	3093	2946
Czechoslovakia	2460	2855	3346	3317	3368	3375	3218	3204
GDR	3093	3321	3583	3710	3826	3704	3489	3286
Hungary	1991	1961	2266	2207	2311	2205	2215	2055
Poland	2363	2595	2916	3089	3415	3042	3164	2867
Romania	660	849	952	889	1355	1212	1200	1335
Total exports:	12940	14461	16237	16368	17500	16588	16379	15693
Balance of trade:	+694	+735	+1067	+415	+1354	-217	-620	-1843

Imports to the USSR

	1982	1983	1984	1985	1986	1987	1988	1989
Bulgaria	2259	2573	2823	2912	3011	3317	3295	3455
Czechoslovakia	2491	2766	2996	3246	3306	3480	3476	3380
GDR	2902	3228	3772	3821	3488	3488	3358	3553
Hungary	1793	1886	2042	2280	2349	2469	2408	2417
Poland	1880	2382	2594	2611	2750	2894	3255	3468
Romania	921	891	943	1083	1242	1157	1207	1263
Total exports:	12246	13726	15170	15953	16146	16805	16999	17536

HARVARD-COLUMBIA
ARDEN HOUSE CONFERENCE ON AMERICAN-SOVIET RELATIONS

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New York, N.Y. 10027
Telephone ([illegible]) 854-4623

GORBACHEV:
The First Five Years

April 6 - 8, 1990
Arden House Conference Center
Harriman, New York

Please enroll me as a participant:

Name: _____
First Middle Last

Your title or position: _____

Company or Institution: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Home Address: _____

City: _____ State: _____ Zip Code: _____

Daytime telephone: _____ Fax Number: _____

First name or nickname for identification badge: _____

Please circle your preference in the following categories:

Room Request:	Single	$1,000
	Half of a double	$ 900
Seating in auditorium:	Smoking	Nonsmoking

Special dietary needs (if any):

Transportation to and from New York City:

Please sign me up for:

($35.00 roundtrip fee)

1. Bus departing from the Trump Shuttle terminal baggage claim area (outside the glass doors) at LaGuardia at 3:25 p.m. on Friday, April 6, 1990.

2. Bus departing from Bryant Park, 42nd Street and Avenue of the Americas (bus will be on the East side, between 41st and 42nd, facing North) at 3:35 p.m., Friday, April 6, 1990.

Buses will shuttle people from Arden House to either location 1 or 2 on Sunday, April 8 1990, at 1:00 p.m.

3. I will have my own transportation.

Return completed form with payment to:

Check should be made payable to The Russian Research Center

Ms. Catherine Reed
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Russian Research Center
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Cambridge, MA 02138

For telephone inquiries: (617) 495-4038

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